

# COMMUNITIES IN CRISIS

More than half of Illinois cities get “F” grades for local pensions

**Hinsdale**

**2019 Grade: D**

In 2003, Hinsdale’s police, fire and municipal pension funds already faced a shortfall of **\$8.6 million**. That meant every Hinsdale household, on average, was on the hook for **\$1,425** in future taxes just to eliminate that shortfall.

*Hinsdale began contributing more money – taxpayer dollars – to pensions in an attempt to make the plans healthier. Over the next 16 years, city contributions increasingly crowded out spending for public safety, roads and other core services.*

	2003	2019	Change
City (taxpayer) contributions to pensions	\$0.96 million	\$2.02 million	Up 2.1X
Share of city general budget for pensions	7.1%	9.7%	Up 1.4X

*Despite the ramp-up in city payments over those 16 years, Hinsdale’s pension debts didn’t decrease. Instead, they jumped by 3.6 times!*

By 2019, the shortfall in Hinsdale’s police, fire and municipal pension funds totaled **\$31.3 million**. That means each Hinsdale household, on average, is now on the hook for **\$5,373** in debt.

## Everyone loses under Hinsdale’s pension crisis:



### Taxpayers are tapped out

Hinsdale residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.1 times more to pensions than in 2003, yet city debts are 3.6 times larger.



### Pension costs are devouring the city’s budget

Hinsdale pension contributions have grown to consume 9.7% of the city’s budget, up from 7.1% in 2003. That’s crowded out spending on public safety, roads and other core services.



### Hinsdale worker retirement security is collapsing

The health of Hinsdale’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 78.2% of the money they needed. By 2019, that had dropped to just 67.5%.



### Hinsdale’s crisis will only get worse

Hinsdale has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.55 active workers for every pensioner. By 2019, there were 0.73 active workers per pensioner.

2019 GRADE

**D**

2003 GRADE

**C**

# Hinsdale receives a "D" grade for its local pension crisis

Local officials handcuffed by state pension mandates.

Wirepoints quantified the negative impact of local pensions by examining the finances of Illinois' 175 largest cities from 2003 to 2019. The analysis was based on ten equally-weighted metrics. Cities were given an A through F grade based on a 100-point scale (10 points per metric).\*

Hinsdale received a "D" grade in 2019. The city's total score dropped from 78 in 2003 to 62 in 2019, a decline of 16 points.

Hinsdale was one of 64 cities to receive a "D" grade in 2019.

175 Cities – Summary Scores			
Grade	Score	Number of cities	
		2003	2019
A	≥90	4	0
B	80-89	35	1
C	70-79	81	8
D	60-69	48	64
F	≤59	7	102

Hinsdale Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	17,349	17,710
Households	6,065	5,819
Median household income	\$104,551	\$203,368
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$13,512,971	\$20,895,345
Total revenues	\$22,483,643	\$39,187,028
Total property taxes	\$5,560,353	\$8,912,848
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$39,725,056	\$96,184,906
Total pension assets	\$31,081,557	\$64,921,472
Funded ratio	78.2%	67.5%
Total pension shortfall	\$8,643,499	\$31,263,434
Per household	\$1,425	\$5,373
Active public safety workers	48	45
Public safety pension beneficiaries	31	62
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$958,819	\$2,022,910
Per household	\$158	\$348
Percentage of city's general budget	7.1%	9.7%
Employees' contributions	\$590,783	\$547,361

## Hinsdale Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	76.6%	71.9%	7	7
2. Firefighter pension funded ratio	68.2%	56.6%	6	5
3. Municipal (IMRF) pension funded ratio	91.2%	79.9%	9	7
4. City pension debts per household as a percentage of median household income	1.4%	2.6%	9	8
5. City contributions per household as a percentage of median household income	0.15%	0.17%	9	9
6. City contributions as a percentage of total budget	4.3%	5.2%	7	6
7. Ratio of city contributions to employee contributions	1.62	3.70	8	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-14.9%	-27.3%	7	4
9. Asset-to-payout ratio (Police & Fire only)	20.8	19.8	9	8
10. Worker-to-beneficiary ratio (Police & Fire only)	1.55	0.73	7	3

<b>Total score</b>	78	62
<b>Grade</b>	C	D

\*Wirepoints analyzed 175 of Illinois' largest cities, excluding Chicago, that have a local police, firefighter and municipal (IMRF) pension fund.

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